

City Council Introduction: 5-20-02

Public Hearing: 6-3-02

Bill No. 02R-123

FACTSHEET

TITLE: Old Fed Redevelopment

SPONSOR: Urban Development

OPPONENTS:

DEPARTMENTS/GROUPS AFFECTED:

STAFF RECOMMENDATION: For

APPLICANT: Urban Development

REASON FOR LEGISLATION:

This is a resolution for the City Council acting as a Community Redevelopment Authority to approve the financing, administration, and redevelopment agreement as provided by law for the redevelopment of the Old Federal Building, 129 N. 10th St. Lincoln, Nebraska under the authority of the Nebraska Community Development Law and in accordance with the previously approved the Lincoln Center Redevelopment Plan (Redevelopment Plan) providing for redevelopment in downtown Lincoln including the Entertainment Center/Old Federal Building Project Amendment to the Redevelopment Plan.

DISCUSSION

The agreement is entered by and between the City, NuStyle Development Corporation, a corporation in the State of Nebraska, and Old Federal Place, L.L.C., a Nebraska Limited Liability Company with a place of business at 1025 Leavenworth St., Omaha, NE 68102 (NuStyle).

The redevelopment is for an historically appropriate adaptive reuse of the Property for apartments and mixed use retail or professional space including parking and related uses consisting of not less than 72,000 square feet (net rentable) to be known as Old Federal Place.

Under the Agreement, Old Federal Place will become a Certified Historic Rehabilitation Property eligible for Historic Preservation Tax Credits subject to National Park Service approval and appropriate use restrictions and permanent facade and interior easements for protection of the historical areas. The City will retain ownership in the remaining portions of the Property exclusive of Old Federal Place.

The development is intended to provide for market rate apartments and mixed use retail or professional space, subject to economic conditions. The City is financing the city improvements and historical preservation improvements using the sale proceeds and Tax Increment Financing, as provided in the Agreement.

The City's Historic Preservation Officer will review and comment on any Certificate of Appropriateness for so long as Certificate of Allowance procedures apply to Old Federal Place.

Old Federal Place is scheduled for completion in the Spring of 2004.

The historic preservation easements for the facade and interior spaces, including the historic courtroom and servery are provided in perpetuity. The City has also retained a right of first refusal on subsequent sale of the Property through the Tax Increment Period. The sale of the property is subject to use restrictions and is based on fair value considering the objectives and purposes of the Redevelopment Plan and the Community Development Act. A reciprocal easement agreement provides for free use of the courtroom and servery for 10 days each calendar year through the Tax Increment Period.

POLICY OR PROGRAM CHANGE: Project contains over \$1.0 million in Historic Tax Credit Financing.

COST OF TOTAL PROJECT: \$6.8 million

SOURCE OF FUNDS:

CITY: \$1,195,000 (see Attachment F)

NON CITY: \$5,655,000

BENEFIT COST:

Fact Sheet Prepared by: Joel Pedersen

Reviewed by: